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INTESTATE COMMERCE COMMISSION

SECURITY AGREEMENT IN THE NATURE OF A
CHATTEL MORTGAGE

KNOW ALL MEN BY THESE PRESENTS: That, on this 19th day of May, 1971, CONTINENTAL TANK CAR CORPORATION, a Delaware corporation, with its chief place of business at 200 North Avenue East, in the City of Westfield, State of New Jersey 07091 (hereinafter called the "Mortgagor"), for securing the payment of the money herein mentioned and in consideration of the sum of One Dollar (\$1.00) to it duly paid by FIDELITY UNION TRUST COMPANY, a Trust Company of the State of New Jersey, having its principal office at 765 Broad Street, Newark, New Jersey 07101 (hereinafter called the "Mortgagee") at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted to the Mortgagee a security interest in the following tank cars and has bargained and sold and conveyed, and by these presents does bargain and sell and convey unto the said Mortgagee all its right, title and interest in and to the following tank cars:

- A. Five (5) 100 ton 30,800 gallon water capacity Class ICC 112-A 400W Dual Use tank cars of Manufacturer's standard construction, equipped with dome safety platforms, steel wheels, ownership plates or stencils and to bear reporting marks GGCX 1001 to 1005 both inclusive.
- B. Six (6) 100 ton 30,800 gallon water capacity Class ICC 112-A-400-W Dual Use (propane and/or anhydrous ammonia) tank cars of Manufacturer's standard construction, equipped with dome safety platforms, steel wheels, ownership plates or stencils and to bear reporting marks CNTX and car numbers 1001 to 1006 both inclusive.

TOGETHER WITH all parts, fittings, accessories, equipment, special tools, renewals and replacements of all or any part thereof, whether now owned or hereafter acquired by the Mortgagor, and any and all proceeds thereof.

TO HAVE AND TO HOLD all and singular the said tank cars and related equipment and proceeds above bargained and sold and conveyed or intended so to be unto the said Mortgagee forever, and the Mortgagor all and singular said tank cars and related equipment and proceeds above bargained and sold and conveyed unto the said Mortgagee, against the Mortgagor and against all and every person or persons whomsoever, shall and will warrant and forever defend. The security interest of the Mortgagee in the foregoing shall attach upon the date hereof.

Upon condition that:

1. If the Mortgagor shall well and truly pay or cause to be paid unto the Mortgagee:

a. The principal sum of \$115,961.16, together with interest thereon at the rate of 7-3/4% per annum in 48 monthly installments of \$2,337.43 each commencing March 1, 1972, and on the first day of each month thereafter until and including February 1, 1976, at which time the entire balance of the principal sum and interest shall become due and payable and also accrued interest on the principal sum payable on March 1, 1971, and on the first day of each month thereafter until March 1, 1972, when the straight level payments begin, all pursuant to the terms and conditions of an Extension Agreement dated as of February 1, 1971, by and between the Mortgagee and the Mortgagor, affecting 10 100-ton 33,000 gallon water capacity tank cars having reporting marks and car numbers CNTX 1201-1210, and

time before the day of the payment herein provided for, secrete, sell, destroy or exchange the said tank cars subject hereto otherwise than as hereinafter provided, or permit or suffer any attachment or lien other than those now in existence or other process against property to be issued against said tank cars, then all unpaid installments of the said sums of money hereinabove mentioned shall become instantly due and payable and then it shall and may be lawful for and the Mortgagor does hereby authorize and empower the said Mortgagee, but only to the extent that it may lawfully do so under the Uniform Commercial Code or other applicable law, with the aid and assistance of any person or persons to enter upon or into any places or premises whatsoever in which the said tank cars are or may be placed and take the said tank cars and to sell and dispose of the same at the best price they can obtain; and out of the money arising therefrom to retain and pay the said sums above mentioned and all charges touching the same, rendering the overplus (if any) to the Mortgagor; and, further, the Mortgagee shall have all of the rights and remedies of a secured party under the Uniform Commercial Code or other applicable law.

And it is expressly agreed by and between the parties to these presents as follows:

1. The Mortgagor represents and warrants that the tank cars subject to the lien hereof are not subject to any other lien, mortgage or encumbrances other than conditional sale agreements, mortgages and leases which were entered into with the knowledge of

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the Mortgagee at the time the Mortgagor acquired such tank cars and other than liens securing other obligations of the Mortgagor to the Mortgagee.

2. All payments to be made by the Mortgagor hereunder or under the aforementioned Extension Agreements secured hereby or otherwise shall be free of expenses to the Mortgagee for collection or other charges and of the amount of any local, state or federal taxes (other than income taxes) or licenses, which taxes and licenses the Mortgagor assumes and agrees to pay. The Mortgagor will promptly pay all taxes and assessments which may be imposed upon the tank cars or for the use thereof or upon the earnings arising therefrom or from the operation thereof by any jurisdiction in which the cars are operated.

3. The Mortgagor shall not place any lettering or markings of any kind upon the tank cars which are inconsistent with A.A.R. and ICC rules and will maintain such lettering or marking as shall from time to time be required by such rules, all in such manner as to preserve the Mortgagee's interest in said tank cars. Mortgagor will cause to be plainly, distinctly, permanently and conspicuously placed and fastened on each side of each tank car subject hereto a stencil with the name "Fidelity Union Trust Company, Owner" or "Fidelity Union Trust Company, Secured Party" or "Fidelity Union Trust Company, Mortgagee."

4. In the event of the loss or destruction of or irreparable damage to any of the tank cars from any cause whatsoever

prior to the payment in full of the moneys secured hereby, the Mortgagor shall promptly and fully inform the Mortgagee in regard to such loss, destruction or damage. The Mortgagor shall promptly replace such tank car or cars at its own cost with a car or cars of similar type and of substantially as good material and construction as that of those lost, destroyed or damaged, subjecting such new tank car or cars to the lien hereof by appropriate instruments. Title to all such replacement cars shall be free and clear of all liens and encumbrances and shall be subject to the provisions hereof. (*)

5. The Mortgagor shall at all times and at its own expense keep the tank cars insured (with loss payable to the Mortgagee or the Mortgagor as their interest may appear) in a company or companies approved by the Mortgagee against such losses as are customarily insured against by prudent operators and owners of similar type tank cars.

6. The Mortgagor will at all times maintain the tank cars in good order and repair without cost to the Mortgagee.

7. The Mortgagor will comply in all respects with all laws of the United States and of the states and territories in which its operations involving the tank cars may extend and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the tank cars.

8. The Mortgagor will keep the tank cars in continental North America.

(*) In lieu of substituting another tank car for any tank car so destroyed, the Mortgagor may repay a sum equal to the outstanding lower balances secured hereby divided by the number of tank cars then securing the obligations secured hereby. Such sum shall be applied against the principal amount owing under the smaller obligation secured hereby with payments applied in the inverse order of maturity.

The Mortgagor will pay or satisfy and discharge any and all sums claimed by any person by, through, against or under the Mortgagor and its successors or substitutes or assigns which if unpaid might become a lien or charge upon the tank cars or any of them equal or superior to the title of the mortgages therein, but need not pay or discharge any such claims as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title and lien of the Mortgagee in and to the tank cars.

All of the covenants and conditions hereinabove contained shall be for the benefit of and shall apply to and bind the said parties and their respective successors and assigns.

IN WITNESS WHEREOF, the Mortgagor and Mortgagee have hereunto caused these presents to be signed by their proper corporate officers and their respective corporate seals to be hereto affixed, the day and year first above written.

ATTEST:

Veronica B. Bain
Veronica B. Bain
Secretary

CONTINENTAL TANK CAR CORPORATION

By H. Emerson Thomas
H. Emerson Thomas
President

ATTEST:


Robert A. Montgomery
Robert A. Montgomery
Assistant Secretary

FIDELITY UNION TRUST COMPANY

By J. W. Trimbue
J. W. Trimbue
Vice President

STATE OF NEW JERSEY)
COUNTY OF Union) ss.

BE IT REMEMBERED, that on this 26 day of May, 1971, before me, the subscriber, a Notary Public of New Jersey, personally appeared H. EMERSON THOMAS, the President of CONTINENTAL TANK CAR CORPORATION, the Mortgagor named in the within Security Agreement, who, I am satisfied, is the person who has signed the within instrument; and I having first made known to him the contents thereof, he thereupon acknowledged that he signed, sealed with the corporate seal and delivered the said instrument as such officer aforesaid; that the within instrument is the voluntary act and deed of said corporation, made by virtue of authority from its Board of Directors.



Notary Public of New Jersey
My Commission expires July 30, 1975
Joan W. Doane

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